

Democracy Voucher Program

2019 Candidate Toolkit





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1. GENERAL PROGRAM INFORMATION

Note: The following pages provide candidates and campaigns an introduction to the City of Seattle's Democracy Voucher Program. The Ethics and Elections Commission's "Candidate and Political Committee Guide" contains more detailed information on the laws governing candidates for City office.

About the Program

The Democracy Voucher program is a voluntary program for Seattle candidates who are interested in qualifying for public funding to help finance their campaigns. In 2015, Seattle voters passed the "Honest Elections Seattle" initiative, which designated a \$3 million property tax levy for 10 years to fund the program.

The Seattle Ethics and Elections Commission (SEEC) distributes four vouchers valued at \$25 each to eligible Seattle residents every municipal election year (occurs during odd-numbered years). Residents may support candidates of their choice by assigning their vouchers to participating candidates. Once a candidate has completed the qualifying process, the candidate will receive campaign funds from the SEEC.

Becoming a Candidate

Before starting a campaign, interested candidates should contact the Seattle Ethics and Elections Commission to set up an introductory training.

Individuals become a candidate once:

- 1) They or another spends funds in support or exploration of candidacy.
- 2) They solicit or receive contributions.
- 3) They solicit pledges or contributions contingent on the decision to seek office.
- 4) They purchase commercial advertising space or broadcast time to promote their candidacy.
- 5) They give consent to anyone to do any of the above things.
- 6) They publicly announce their candidacy.

Candidate Introductions

All City of Seattle candidates may are invited to submit a 150-word Candidate Introduction. The SEEC will translate the introduction into 14 additional languages and will publish the translated text to the its website. Campaigns are free to use the introduction and translated text for campaign purposes.

What Candidates Agree To

Democracy Voucher Program candidates agree to several activities and rules:

- 1. Sign a *pledge*, agreeing to abide by program rules.
- 2. Accept no more than \$250 from any individual or organization. The vouchers an individual assigns to a campaign do not count towards the \$250 limit.
- 3. Agree to the spending limit that applies to the position, also known as maximum campaign valuation.
- 4. Program candidates who face oppositional spending beyond the spending limit may apply for release from the spending limit and/or the contribution limit.
- 5. Agree to attend at least three debates.
- 7. Voucher funds may not be used to pay an immediate family member. Program candidates may collect and use separate monetary funds to pay family members.

Limits on Contributions

Contributions cannot be solicited or accepted from the following:

- Those who have received more than \$250,000 in the last two years through a City contract.
- Those who have spent or paid someone more than \$5,000 to lobby the City in the last 12 months.

Candidates may not solicit money for or on behalf of any political action committee, political party, or any organization that makes an independent expenditure for or against any City of Seattle candidate within the same election cycle.

Campaign Status

The SEEC's database will track and publish a participating candidate's status using the following terms:

Pledged — A candidate has signed a *pledge* and indicated their intent to participate in the Democracy Voucher program.

Qualified —The SEEC has verified the campaign has collected the minimum number of qualifying contributions and qualifying signatures. Campaigns may redeem verified vouchers assigned to the candidate. The SEEC will issue campaign checks at least twice a month.

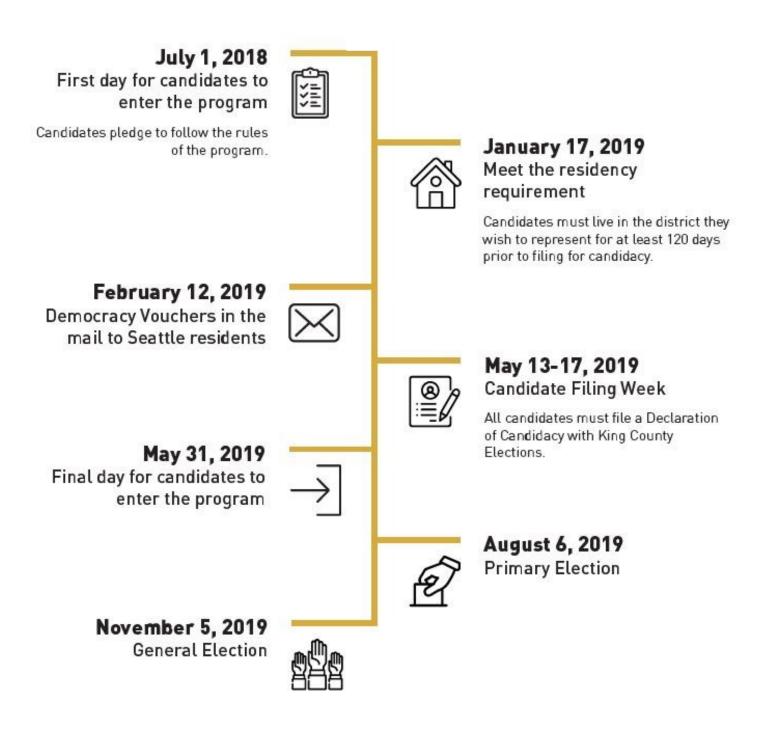
Primary Spending Reached—A candidate has reached their voucher distribution limit for the primary. The SEEC will not release additional funds unless the candidate proceeds to the general election.

Hold for General—A candidate has requested the SEEC hold their voucher distributions until the general election.

General Spending Reached — A candidate has reached their voucher distribution limit for the general election. The SEEC will not release additional funds.

No Longer Participating—A candidate is no longer a program candidate and cannot submit qualifying documents, collect vouchers, or receive voucher distributions.

2. VOUCHER CANDIDATE TIMELINE



3. ROLES & RESPONSIBILITIES

The table below describes some of the roles and responsibilities of different agencies campaigns will interact with during the campaign process.

Seattle Ethics and Elections Commission (SEEC)

- SEEC provides training to campaign/candidate on campaign finance regulations and Democracy Vouchers
- SEEC submits qualifying documents and vouchers to KCE for signature verification
- Candidate signs Pledge agreeing to follow the rules of the program
- Campaign returns completed Qualifying Contributions Packet
- Campaign returns Democracy Vouchers and Campaign Replacement Forms
- Candidate provides 150-word introductory statement
- Candidate files voter pamphlet statement
- Campaign files disclosure reports
- Candidate files the SEEC F1 with the Seattle City Clerk

SEEC Phone: (206) 684-8500 Democracy Voucher Program Phone: (206) 727-8855

King County Elections (KCE) KCE provides candidate training KCE verifies signatures on qualifying contribution documents and vouchers Campaign files Declaration of Candidacy PDC provides Online Filing Software for Candidates (ORCA) and training Campaign files disclosure reports and the PDC F1 Website: www.kingcounty.gov/depts/elections.aspx Phone: (360) 753-1111

4. ABOUT DEMOCRACY VOUCHERS

What is a Democracy Voucher?

Democracy Vouchers are \$25 "certificates" Seattle residents may assign to Democracy Voucher candidates running for city office.

For 2019, residents may assign one or more vouchers to any city council candidate who has pledged to be in the program. Residents may assign vouchers to program candidates running in any council district.

Who can use vouchers?

Individuals who are:

- At least 18 years of age;
- Either a U.S. citizen, U.S. national, or lawful permanent resident ("green card holder"); and
- Are residents of Seattle for at least 30 days.

How do residents get vouchers?

Vouchers will be mailed February 12, 2019 to every eligible Seattle resident who is either on the registered voter list for Seattle or who has applied for Democracy Vouchers.

Residents will also be able to access their vouchers online through a secure portal in 2019.

How are vouchers collected?

Vouchers may be collected several ways:

- 1. Residents can mail their vouchers directly to the SEEC using the provided postage-paid envelope.
- 2. Residents may exercise their vouchers through an online portal.
- 3. Candidates and their campaign representatives may collect vouchers directly from residents.
- 4. Candidates and their campaign representatives may use the *Campaign Replacement Form* to collect vouchers directly from residents who might have lost or otherwise no longer have their vouchers. See detailed information on the *Campaign Replacement Form* on page 17.

What should campaigns do with collected Democracy Vouchers?

Keep vouchers in a secure place and return them to the SEEC in a timely manner. Campaigns may return vouchers in person, via a courier, or by mail using postage-paid envelopes provided by the SEEC.

Vouchers are reported as contributions only after the campaign receives a check from the SEEC.



How does the SEEC process vouchers?

The following steps outline the time from when a voucher is received by the SEEC to the point the SEEC issues checks to campaigns.

- 1. The SEEC scans each individual voucher to view the voucher record in the system.
- 2. The SEEC updates the status of the record, the return method, and records the candidate assignment.
- 3. Vouchers assigned to program candidates are delivered to KCE for signature verification.
- 4. The SEEC retrieves the vouchers from KCE. Each voucher indicates whether the signature was accepted or did not match. Approximately 98% of vouchers are accepted.
 - a. The SEEC sends letters to residents with unmatched signatures. Residents have an opportunity to sign the letter and submit that signature for verification. A postage-paid envelope is provided.
- 5. For vouchers with verified signatures, the SEEC updates each voucher record as accepted.
- 6. The SEEC issues the campaign a check for all the accepted vouchers approximately twice a month. Once the check is issued, the voucher records are updated and marked as redeemed. The SEEC then mails a check to the campaign.

How long does it take to process vouchers assigned to a candidate?

Valid vouchers take an average of two weeks to be received, processed, and for the SEEC to issue a check. Factors that can impact this timeline include:

- 1. Fluctuating voucher return rates. The SEEC staff are equipped to process a certain number of vouchers per day (using data from our first year of vouchers). The SEEC plans to employ additional staff to process vouchers during peak season.
- 2. King County Elections' processing timeline may be impacted by events such as election week, temporary staff training times, or an influx of signature petitions to verify.

How can campaigns find out how many vouchers have been assigned to them?

Campaigns may see this number vouchers by viewing the program data page here:

www.seattle.gov/democracyvoucher/program-data

Can residents change their voucher assignments?

No. Voucher assignments are considered final once they are received by the SEEC. If a candidate is considering withdrawing from the race or the program, it is critical to let the SEEC know as soon as possible so that the SEEC can update the program website and answer any incoming questions from residents.

5. QUALIFYING PROCESS

What are qualifying contributions?

Qualifying contributions are small-dollar donations from Seattle residents. Candidates must collect a minimum number in order to receive public funding through the Democracy Voucher Program. Qualifying contributions are between \$10 and \$250 and must come from the contributor's own funds. Democracy Vouchers do not count as qualifying contributions.

Who is eligible to give a qualifying contribution?

Individuals who are:

- At least 18 years of age;
- Either a U.S. citizen, U.S. national, or lawful permanent resident ("green card holder"); and
- Are residents of Seattle for at least 30 days.

How many qualifying contributions and signatures are needed to qualify?

Candidates running for Seattle Council District positions need 150 qualifying contributions from Seattle residents. Seventy-five of those qualifying contributions must come from residents within the district the candidate is running in.

Candidates must also collect 150 signatures from Seattle residents, half of which must come from residents of the district the candidate is running in. Signatures used to validate qualifying contributions may serve to meet the 150 signatures requirement.

What is the process for collecting qualifying contributions?

Campaigns must use the qualifying contribution form or remit envelope when collecting in-person qualifying contributions. If campaigns are collecting online qualifying contributions, campaigns must ensure the software meets the SEEC requirements located on page 15 of this toolkit.

- Qualifying Contribution Forms may be used to collect a qualifying signature only or may be used to collect both a qualifying contribution and accompanying signature.
- Remit envelopes are available free of charge from the SEEC for campaigns to use during the qualifying contribution collection period.
- Campaigns may choose to design their own remit envelope using the SEEC's Remit Requirements list on page 11.

Collecting Qualifying Contributions

- 1. Collect monetary contributions between \$10 and \$250 from Seattle residents.
 - For in-person contributions, ensure the resident completes the Qualifying Contribution Form or remit envelope. If a resident is unsure of their council district, the campaign should fill in that information on the form.
 - For online qualifying contributions, ensure your website and payment system meet the SEEC requirements for validation.
- 2. Deposit contributions within five business days of receipt.
 - File C3s to report the contribution.
 - Complete the qualifying contributions spreadsheet and contact the SEEC.
 - Deliver an electronic copy of the spreadsheet to the SEEC by email and submit the hardcopy Qualifying Contribution forms/remits by mail or in person.

How does the SEEC process qualifying contributions and signatures?

The SEEC takes several steps to quickly and accurately review the campaign's qualifying contributions and signatures.

- 1. Receive and review the spreadsheet for completeness.
- 2. Notify the campaign of the initial review and the number of documents received.
- 3. Schedule a meeting with the treasurer to review online contributions.
- 4. Send forms/remit envelopes to KCE for signature review.
- 5. Verify C3 filing for each qualifying contribution and record findings on the spreadsheet.
- 6. Receive KCE verification results.
- 7. Contact the campaign with a summary of the results.

On average, campaigns can expect results from the SEEC within seven business days.

Program Talking Points

The following are sample talking points candidates may use when collecting qualifying contributions:

- 1. I am in the process of qualifying for the City of Seattle's Democracy Voucher Program.
- 2. To qualify for the program, I must receive 150 small-dollar contributions and 150 signatures from Seattle residents to show there is community support for my campaign.
- 3. Once I qualify, I will be able to turn Democracy Vouchers into campaign dollars to further fund my campaign.

- 4. Would you support my campaign by donating a minimum of \$10? Please sign this form to acknowledge your contribution.
- 5. Would you also consider assigning one or more of your Democracy Vouchers to my campaign? (If the resident does not have their vouchers, the campaign may provide them with a *Campaign Replacement Form*).

Create a Custom Remit Envelope

While the SEEC provides blank remit envelopes, remit envelope artwork, and copies of collection forms, campaigns may design their own materials using the guidance below. SEEC staff are available to review any artwork for compliance.

The design should include:

- The candidate name and the position title (and number if applicable) as well as this statement:
 "The candidate named here intends to register in the City of Seattle's Democracy Voucher
 Program which allows qualified candidates to receive public funds to help finance the candidate's campaign."
- Ample space for a contributor signature.
- Space to write in the contributor's Seattle address, contributor's name, contribution amount, and space for the campaign's council district number.
- City and state law require campaigns to collect employer and occupation information from any contributor whose total contributions exceed \$100 (which includes the value of Democracy Vouchers).

Include these two statements:

"Only contributions from individuals who have resided in the City of Seattle for 30 days, are registered in the City of Seattle if registered to vote, are at least 18 years of age, and are eligible under federal law to make political contributions, will be counted as Qualifying Contributions for the Democracy Voucher Program. Candidates can accept contributions from persons (individuals or entities) residing outside of the City of Seattle, but they will not be counted as Qualifying Contributions. Democracy Vouchers may not be used as qualifying contributions."

"WARNING - No contribution shall be made and no expenditure shall be incurred, directly or indirectly, in a fictitious name, anonymously, or by one person through an agent, relative, or other person in such a manner as to conceal the identity of the source of the contribution or in any other manner so as to effect concealment. (SMC 2.04.290A.) Concealing the source of a contribution is a violation of City law and may be punished by a fine of up to \$5,000. (SMC 2.04.500)"

FAQs from Seattle Residents

Why do I (resident) need to contribute \$10 of my own money to show support for your campaign?

The Democracy Voucher Program requires candidates show genuine commitment to running for office before being given public dollars to fund their campaign. One way to show that is to collect small-dollar donations from Seattle residents to show there is community support for my campaign.

Can I give you my Democracy Vouchers to count as a qualifying contribution?

No. Qualifying contributions must come from the contributor's own funds in order to count. Again, this is to show community support for my campaign.

Can I contribute both a qualifying contribution and my Democracy Vouchers?

Yes, you may contribute both a qualifying contribution and Democracy Vouchers.

I cannot donate to your campaign. Can I support your campaign in another way?

Yes, you may sign your signature on the qualifying signature form and/or assign your Democracy Vouchers to my campaign.

Will anyone know which campaign I contributed to?

Yes. Under state law, contributions, including voucher assignments, are considered public information.

I cannot find my vouchers. Can I get new ones?

Yes! Please complete the Campaign Replacement Form to assign your vouchers to our campaign. You may also contact the Democracy Voucher Program directly to request replacements.

Can I give my Democracy Vouchers to candidates in any district?

Your 2019 Democracy Vouchers may be given to any participating Seattle City Council candidate, within or outside your council district.

Can I give all my vouchers to one candidate?

You may give all your vouchers to a single candidate or divide your vouchers amongst multiple candidates.

6. QUALIFYING CONTRIBUTION OPTIONS

The SEEC reviews qualifying contributions to ensure the contribution was from a Seattle resident. As with all contributions, qualifying contributions must be deposited within five business days of receipt.

The table below describes the validation requirements for each type of contribution as well as the responsibilities of both campaigns and the SEEC.

For campaigns accepting online qualifying contributions, follow the payment system requirements on page 14

Records associated with the qualifying process, both paper and electronic, must be preserved for six calendar years following the end of the election by either the campaign or the SEEC.

Contribution Type	Validation Options	Campaign Role	SEEC Role
Cash Between \$10 and \$250	Remit Envelope and/or Qualifying Contribution Form	Using one of the validation options, obtain a signature and accompanying information from each contributor. Submit originals or copies of the documents to the SEEC when applying for program qualification.	Review C3 filings to confirm donation was reported. Submit signature documents to King County Elections for review.
Check Between \$10 and \$250	Remit Envelope and/or Qualifying Contribution Form	Using one of the validation options, obtain a signature and accompanying information from each contributor. Submit originals or copies of the documents to the SEEC when applying for program qualification.	Review C3 filings to confirm donation was reported. Submit signature documents to King County Elections for review.
Online Between \$10 and \$250	Campaign must use payment software that meets validation standards set by the SEEC.	Review payment system requirements prior to accepting qualifying contributions.	Review C3 filings to confirm donation was reported. SEEC visually checks each confirmed transaction either in-person or via screen share with the campaign treasurer.

Online Qualifying Contribution Payment System Requirements

Campaigns may collect qualifying contributions on their campaign website using a payment system that meets the following SEEC requirements for verification. Campaigns must also meet existing online contribution requirements per Seattle Elections Code Administrative Rule 6.

- 1. The name, address, and CVV on the bankcard are each confirmed by the system. The SEEC will view that this confirmation occurred.
- 2. The donation page must collect/record, for SEEC review, the following information:
 - A. The contributor's first and last name that is typed in by the contributor.
 - B. The contributor's Seattle residential address also typed in by the contributor.
- 3. Add the following statement to the checkbox language required by Rule 6:
 - A. "I am contributing my own funds to help this candidate qualify for the Democracy Voucher Program, which allows qualified candidates to receive public funds to help finance their campaign."

Records associated with the online qualifying contributions shall be maintained by the campaign for six years following the end of the election cycle or the campaign.

Seattle Elections Code Administrative Rule 6

When a contribution is made by credit/debit card over the Internet, the electronic record of the transaction created and transmitted by the accountholder shall constitute a "written instrument." This record must be printed in hardcopy and preserved by the recipient candidate or political committee for five calendar years.

A committee must collect the following information regarding credit card contributions, in addition to the information that otherwise must be reported under the Elections Code:

- a. Name on Card
- b. Date Contribution Processed (submitted to the bank)
- c. Authorization Code provided by the bank
- d. Expiration Date of Credit/Debit Card
- e. Credit/Debit Card Type (Visa, MasterCard, American Express, etc.)
- f. Last Four Numbers of Credit/Debit Card

A web page on which credit/debit card contributions are solicited shall provide the following boxes for the contributor to check for self-screening and affirmation that: (a) the funds being contributed are the personal funds of the contributor and are not those of another, (b) the contributor is not a foreign national who lacks permanent resident status in the United States, (c) the contributor is making the contribution via the contributor's personal credit or debit card for which the contributor has a legal obligation to pay, and not through a corporate or business entity card or the card of another, and (d) the contributor is at least 18 years old. If the contribution exceeds \$100, the web site must also require the contributor to list his or her occupation and the name, city and state of his or her employer.

7. REPLACEMENT VOUCHERS

Who can receive replacements?

Any Seattle resident who previously received vouchers can receive replacement vouchers.

Replacement vouchers will only be provided for the number of vouchers that have not already been returned.

Replacement vouchers can be sent either by mail or by email (as a PDF attachment).

For 2019, a new online replacement option will also be available.

Who can request replacements?

Any Seattle resident who previously received vouchers may request replacements by phone, email, or mail, or the web from the SEEC.

Campaigns can assist Seattle residents with replacement vouchers by using the *Replacement Democracy Vouchers Form for Campaigns*.

Replacement vouchers may also be requested for individuals by others such as family members, care providers, case workers, campaigns, civic organizations, and community groups.

What information is needed when requesting replacements?

If a resident is contacting the SEEC by phone, e-mail, or the web, the following information will be verified:

- First and last name middle name or middle initial is helpful
- Date of birth
- Residential address
- Mailing address if different than residential address
- Contact phone number or email address
- Language preference for English, Spanish, Vietnamese, Traditional Chinese, Simplified Chinese, Somali, Tagalog, Korean, Cambodian, Amharic, Oromo, Tigrigna, Laotian, Thai, or Russian.
- Preference to receive paper vouchers by postal mail or PDF vouchers by email if no preference is listed, vouchers will be sent by postal mail
- If requesting on the behalf of others, the SEEC will need the helper's name

How will the SEEC authenticate that only four vouchers per resident are counted?

The SEEC's secure voucher tracking system is designed to assign uniquely numbered vouchers to each participant. The system ensures that there are no more than four active voucher numbers at any time.

What is the Replacement Form for Campaigns and how is it used?

The SEEC authorizes the use of the Campaign Replacement Form to serve as a voucher replacement option for residents who no longer have their vouchers.

Only candidates and their representatives may use the replacement form to collect vouchers from Seattle residents.

8. CAMPAIGN REPRESENTATIVES

What are campaign representatives?

Campaign representatives are individuals, either paid or volunteer, who are acting as members of the campaign. In this role, representatives are individuals and are not representing an organization. Representatives may collect Democracy Vouchers, assist residents with replacement vouchers via the *Campaign Replacement Form*, and help residents access their vouchers online.

Representatives must be registered with the SEEC prior to collecting vouchers. To do this, the campaign send an email to the SEEC with the first and last names of each campaign representative. This list can be updated as frequently as needed. There is no limit to the number of representatives a campaign may have.

Are Democracy Vouchers considered contributions?

The PDC defines a "Democracy Voucher" as a campaign contribution and subject to RCW 42.17A. As a contribution, all statutes, rules and guidance that apply to contributions apply equally to Democracy Vouchers.

What is "bundling"?

The PDC defines "bundling" as the process in which campaign contributions are collected from donors, by a third party, and provided in bulk to a campaign.

Can I "bundle" Democracy Vouchers?

Under RCW 42.17A.470, bundling, acting as an intermediary or agent, is allowed only by individuals.

As defined in I-122, a candidate's representative is a person who is registered with the Seattle Ethics and Elections Commission for the purpose of receiving vouchers on behalf of the candidate SMC 2.04.620(d). Assuming that a candidate's representative is an individual and not an organization, RCW 42.17A.470 would allow a candidate's representative to collect and transmit vouchers.

Organizations, organized as either a non-profit or a for-profit, may not bundle contributions, or act as an intermediary or agent to transmit vouchers. Nor may an organization provide a means to transmit (e.g. a drop box) vouchers to a candidate or to the Seattle Ethics and Elections Commission.

9. REPORTING & INVOICING

Reporting Requirements

- Democracy Voucher Program candidates are subject to the same reporting requirements as any candidate running for City office.
- Qualifying contributions are subject to reporting requirements.
- The SEEC strongly encourages campaigns to schedule a compliance training that will cover reporting requirements.
- The SEEC does audit City campaigns for compliance.
- Democracy Voucher proceeds are only reportable when the campaign receives a check from the city.

Invoicing

Qualified campaigns in good standing will receive a check of voucher proceeds by mail at least twice monthly.

How the invoicing works:

- 1. SEEC checks to ensure the campaign is current with all program requirements and has not reached the spending limit. If the campaign is close to the limit, the SEEC will contact the campaign before proceeding.
- 2. SEEC queries the voucher database and cues up all vouchers accepted for the campaign. SEEC submits an invoice for those vouchers and a check is mailed to campaign.
- 3. SEEC sends the campaign two emails.
 - A. The first email contains the check amount and approximately when the check should be received. This email also has an excel file listing the name, address, and district information for each voucher associated with the check. Do not file reports at this time—wait for the second email.
 - B. The second email contains an excel file that you'll use for filing your C3 once you have the check – this file will greatly simplify your reporting. In this second email you'll also receive instructions on how to use this file.

10. CLOSING OUT YOUR CAMPAIGN

Ending the Campaign

Once the campaign has ended, the campaign will need to return any vouchers collected as soon as possible. The SEEC will update the candidate's status on the website.

Returning Unused Voucher Proceeds

Once the candidate is no longer a program candidate, the campaign must return all unused voucher proceeds to the program. The candidate is no longer considered a program candidate when any of the following happens:

- The candidate fails to advance to the General Election. This candidate may continue to redeem vouchers through the first business day in September of the election year.
- The candidate fails to file a Declaration of Candidacy with King County Elections.
- The candidate withdraws from the race.

Rule 16E. Use of Democracy Voucher Proceeds – SMC 2.04.630(i) and (j)

- 1. A participating candidate has 45 days from withdrawing, becoming ineligible, losing qualification, losing an election, or winning the general election to pay all campaign debts and obligations. If a participating candidate dies, the campaign has 90 days to pay all campaign debts and obligations.
- 2. After paying all campaign debts and obligations, any remaining funds, up to the amount of Democracy Vouchers redeemed by the candidate, will be considered Unspent Democracy Voucher Proceeds. Such funds must be refunded to the Democracy Voucher Program within 45 days (or 90 days upon the death of a participating candidate).

Conditions under which the campaign may be required to return all received voucher proceeds.

If the campaign violates, or fails to complete, the program requirements, the commission may order the return of all voucher proceeds ever received. Reasons may include exceeding the spending limit or obtaining vouchers through forgery.